**Business Basics**

**Final Review**

1. Define Needs and Wants, and give examples of each.
2. Who purchases goods and services?
3. What are some examples of natural resources?
4. What is the basic economic problem?
5. Who owns resources in a communist economy?
6. Explain what opportunity cost is and be able to give an example.
7. Define consumer.
8. Lack of competition will result in what?
9. What are the three types of economic resources? Give examples of each.
10. What is scarcity?
11. What is a trade off?
12. What are the steps in the decision making process?
13. What are the three economic questions that all nations must answer?
14. What are the four types of economic systems? What is the differences among them?
15. What type of economic system best describes the one the US uses? Careful! The book is incorrect.
16. What is supply and how does it affect the price of goods?
17. What is demand and how does it affect the price of goods?
18. When the economy is growing what is happening with production?
19. Who is considered part of the US labor force?
20. What is a business cycle?
21. What are the stages of the business cycle?
22. How would you define someone who is unemployed?
23. What is GDP?
24. What does GDP measure?
25. What goes into calculating GDP?
26. What is GDP per capita?
27. What is inflation?
28. What are the forms of business ownership?
29. What is the most common and least common type of business ownership?
30. Do non-profit organizations have to pay taxes?
31. What are the three major categories of businesses? Identify aspects of each.
32. Who are stockholders and board of directors? What do they have to do with business?
33. What is a franchise?
34. What are the two most common types of organizational structures? What are the advantages and disadvantages of each?
35. Define entrepreneur
36. Where do entrepreneur opportunities come from?
37. What are some advantages of small business over big businesses?
38. What is the most popular use of a business plan?
39. Small business have fewer then \_\_\_\_\_\_\_\_\_\_ employees.
40. Small business owners should establish relationships with what other professionals?
41. What is the accounting equation?
42. Understand the eleven transactions (on the green sheet) we covered in class and how each transaction affects the accounting equation.
43. What does the capital account do?
44. Define withdrawal
45. Define sold on account
46. **Be prepared to know definitions from chapters 1,2,5,6, and accounting chapter 1**